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Review of the efficiency of the administrative and financial functioning of the United Nations

Joint Inspection Unit

Report of the Secretary-General on the activities of the Office of Internal Oversight Services

Review of common services in the United Nations

Note by the Secretary-General

Addendum

The Secretary-General has the honour to transmit to the General Assembly the comments of the Joint Inspection Unit on the report of the Office of Internal Oversight Services on the review of common services in the United Nations (A/54/157).

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I. Background

1. A significant level of resources is devoted, in each organization within the United Nations system, to the support services in the fields of administration, finance and management.

2. The inherent benefits of common services or common support services for the organizations within the United Nations system have been recognized by the Member States since the inception of the System as stipulated, for example, in the relationship agreements between the United Nations and the specialized agencies. The standard article in those agreements relating to administrative and technical services provides, *inter alia,* that the United Nations and the specialized agencies "recognize the desirability, in the interest of administrative and technical uniformity and of the most efficient use of personnel and resources, of avoiding, whenever possible, the establishment and operation of competitive or overlapping facilities and services among the United Nations and the specialized agencies". In the same article, the United Nations and the specialized agencies further "agree to consult together concerning the establishment and use of common administrative and technical services and facilities, insofar as the establishment and use of such services may from time to time be found practicable and appropriate".[1]

3. Although the above quotations refer specifically to the United Nations and the specialized agencies, it should be noted that, since the first relationship agreements were concluded in 1946, the United Nations system has grown steadily over the years to include United Nations-affiliated bodies such as the United Nations Children's Fund (UNICEF), the United Nations Development Programme (UNDP), the World Food Programme (WFP) and the Office of the United Nations High Commissioner for Refugees (UNHCR), and this has made it necessary to apply common services more widely.

4. In reality, however, the use of common services has thus far been consistent neither in the United Nations system nor in terms of the quality and efficiency of existing common services.

5. Against these backgrounds, the Joint Inspection Unit (JIU) has to date issued four reports on common services within the United Nations system:[2]

(a) "Common services of United Nations organizations at the Vienna International Centre (VIC)" (JIU/REP/84/10);

(b) "United Nations system common premises and services in the field" (JIU/REP/94/8);

(c) "Common services at United Nations Headquarters" (JIU/REP/96/5);

(d) "United Nations system common services at Geneva" (JIU/REP/98/4).

Through these reports, JIU has sought consistently over the years to focus the attention of the governing bodies and secretariats on the importance of developing and expanding common services in order to reduce administrative expenses, contain budget growth and enhance the efficiency of programme delivery.

6. JIU notes with satisfaction that the subject of common services has now become a priority item in the Secretary-General's reform agenda, as reflected in his programme of reform for reviewing the United Nations (document A/51/950 of 14 July 1997, paras. 242-243). Concrete follow-up measures that have been instituted, especially at Headquarters, include the appointment of an Executive Coordinator for Common Services, the creation of a Task Force and its working groups, and the development of a common services strategy paper to guide reforms in this area.

7. These initiatives at Secretariat level provide the context for the present review of the Office of Internal Oversight Services of the United Nations Secretariat (OIOS). As stated in the report (para. 3), OIOS took into account the JIU reports on common services at Headquarters and Geneva. The OIOS team also had a working session with JIU in Geneva in the course of its review.

II. General comments

8. JIU has found the OIOS report useful in a number of respects: first, it provides a detailed, up-to-date account of the actions being taken to redesign and broaden the coverage of common services in the key support areas reviewed in the report, such as human resources management, procurement, financial services, printing services, and so forth. Second, it sheds useful light on important location-specific issues of the three duty stations (New York, Geneva and Vienna) by taking a comparative view of the state of common services. Third, it confirms in general JIU's findings and conclusions relating to common services at Headquarters and Geneva duty stations, particularly with respect to the potential for further significant expansion of such services and the need for consistent intergovernmental support to that end.

9. JIU believes, however, that the OIOS report would have been even more valuable had it been undertaken at a later date so that it could have reviewed more thoroughly the status and results of implementation of the Secretary-General's common services initiatives and of the pertinent recommendations contained in JIU's two latest reports on the subject with respect to New York and Geneva duty stations. The OIOS review was conducted in October 1998, at a time when the Task Force and its working groups had not advanced very far in their assigned tasks. In view of this, the OIOS team was clearly handicapped in its assessment of the quality, results and cost-savings impact of the work in progress.

10. Furthermore, while OIOS, given the limitation of its mandate, necessarily focused its review on the United Nations Secretariat, this kind of report would have benefited greatly from including also the perspective of the specialized agencies which would be an important factor in expanding and strengthening the common services, in particular at Geneva and Vienna.

III. Specific comments

11. *Coordination between Headquarters and other duty stations*: JIU welcomes the emphasis placed by OIOS on the need for close consultations and coordination between Headquarters on the one hand and Geneva and Vienna duty stations on the other in the process of developing and strengthening common services. The Unit also welcomes the OIOS view that such coordination does not imply that Headquarters should be managing common services at other duty stations, in particular at the United Nations Office at Geneva and the United Nations Office at Vienna where, owing especially to the presence of specialized agencies, common services should properly be directed locally, based on proper delegation and decentralization of authority as mentioned below.

12. *Delegation and decentralization of authority*: The delegation of authority to programme managers and the decentralization of authority to the administrations of the different duty stations are key issues for enhancing common services, as stressed in the OIOS report: "Both Offices emphasized the need to decentralize authority from New York for the sake of efficiency and the timely delivery of services. In conjunction with the delegation of authority to programme managers, Headquarters should decentralize the necessary authority and responsibility to the divisions of administration at Geneva and Vienna to allow those Offices to effectively interpret and apply policies and to monitor administrative operations on behalf of Headquarters and not to act, as at present, as mere intermediaries between various departments and Headquarters" (para. 15). JIU fully supports this view which is consistent with its findings contained in the JIU report entitled "United Nations system common services at Geneva".

13. *"Routine" support services and those requiring decision-making*: It is noted that "given the sensitivity of the participating organizations regarding their identity and mandate", the Executive Coordinator for Common Services has opted for relying on a "demand-driven" approach. In this context, the OIOS report stressed the need to remove barriers to the expansion of common services such as "turf protection", lack of faith among organizations and the lack of interaction among heads of organizations, in addition to the differing mandates from the legislative bodies of the organizations within the United Nations system (see para. 14 below). JIU considers that, in promoting common services, priority should be given, at least initially, to the "routine and recurrent support services (such as mail and pouch, payroll, telecommunications and computers, and language and management training)", as distinct from "those that repeatedly require decision-making inputs such as personnel, management and budgeting".[3]

14. *Role of Member States*: As a conclusion of the OIOS report, it is stated that: "the success of establishing common services, covering not only the United Nations but also the specialized agencies, would depend highly on the resolve of Member States, considering the independence exercised by the various specialized agencies. Member States who clamour for changes and cost reductions at the General Assembly should do the same in the governing bodies of the organizations of the United Nations system and stress the need to achieve economies of scale and greater efficiency through expanded common services system-wide" (para. 128). JIU agrees to this very important point.

IV. Recommendation

15. As indicated in paragraph 14 above, JIU shares the opinion that respective legislative organs of the organizations within the United Nations system should take consistent decisions on common services. As a first step in this direction, JIU recommends that the General Assembly adopt a resolution encouraging the Secretary-General and the Administrative Committee on Coordination (ACC) to take concrete steps to enhance common services and report back to the Assembly at its fifty-sixth session on the measures taken, with a provision that the legislative organs

of other organizations are to be invited to take similar action on the basis of the Assembly resolution.

Notes

[1] JIU report entitled "Common services at United Nations Headquarters" (JIU/REP/96/5), para. 2.

[2] JIU has included another report on the common and joint services in Vienna in its programme of work for 1999 and preliminary listing of potential reports for 2000 and beyond (A/53/841 of 23 February 1999, annex).

[3] ACC/1999/FB/R.22, para. 6.